

# **CERTIFICATE OF NEED**

## ***ADVISORY***

### **Michigan Department of Health & Human Services**

#### **CERTIFICATE OF NEED**

South Grand Building  
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#### **Renewal of Leases for Licensed Health Facilities**

A renewal of a lease beyond the time frame granted in the most current Certificate of Need (CON) approving the lease terms for the health facility, with or without a change in landlord, also does not require a CON as long as the total lease costs for the renewal is below the covered capital expenditure threshold and there is no change in licensed use, bed capacity, or physical plant structure (unless otherwise specified in the applicable CON Review Standards). If a licensee determines CON review/approval is not required for a renewal of a lease based on the guidance above, the licensee must maintain documentation that the renewed lease did not exceed the covered capital expenditure threshold and provide to the Department if requested.

Please note that any change in licensee does require CON review/approval. The Department will request as part of an application identification of the current landlord, if applicable, and a draft lease agreement.